

IN THE MATTER OF
WASHINGTON PREMIER
MORTGAGE CORP.

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BEFORE THE MARYLAND
COMMISSIONER OF FINANCIAL
REGULATION
Case No. DFR-EU-2007-172

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CONSENT ORDER

THIS CONSENT ORDER is entered into this 9th day of April, 2008, by and between the Maryland Commissioner of Financial Regulation ("the Commissioner") and Washington Premier Mortgage Corp., ("the licensee").

WHEREAS, the licensee is a duly licensed mortgage broker under the Maryland Mortgage Lender Law, Md. Financial Institutions Code Ann. ("FI") §11-501 *et seq.*; and

WHEREAS, the Commissioner conducted an examination of the licensee's business; and

WHEREAS, as a result of the information obtained from the examination, the Commissioner found it necessary to institute proceedings against the licensee; and

WHEREAS, by letter dated December 3, 2007, a copy of which is attached and incorporated into this Consent Order as Exhibit 1, the Commissioner charged the licensee with violations of Md. Commercial Law Code Ann. ("CL") §12-804(c), §12-805(d), §12-125(b)(1), and COMAR .09.03.06.09A; and

WHEREAS, the licensee acknowledges and admits the violations set forth in the charge letter attached and incorporated into this Consent Order as Exhibit 1; and

WHEREAS, the licensee nonetheless desires to continue to operate as a duly

licensed mortgage broker in the State of Maryland, agrees to do so in compliance with the Maryland Mortgage Lender Law, and all applicable law and regulations, and represents that it has taken significant action to remedy the circumstances on which the pending charges are based; and

WHEREAS, the Commissioner desires to ensure that, beginning on the date of this Consent Order, the licensee will operate in compliance with the Maryland Mortgage Lender Law, and all applicable law and regulations; and

WHEREAS, with due consideration for and in furtherance of their respective desires and interests, the Commissioner and the licensee have negotiated and entered into an agreement in resolution of the issues arising from the charge letter attached as Exhibit 1, and wish to put the terms of their agreement in writing.

NOW, THEREFORE, by agreement of the parties, the Commissioner hereby **ORDERS** pursuant to FI §11-517(c)(1) that the licensee shall take the following steps to correct the charged violations and comply with the Maryland Mortgage Lender Law and all applicable regulations:

1. The licensee shall pay to the Commissioner a civil penalty in the amount of ten thousand dollars (\$10,000.00). An initial payment of one thousand dollars (\$1,000.00) shall be made by the licensee on or before Tuesday, April 15, 2008. The remaining nine thousand dollars (\$9,000.00) shall be paid in nine monthly installments of one thousand dollars (\$1,000.00) on or before the following dates: Thursday, May 15, 2008; Monday, June 16, 2008; Tuesday, July 15, 2008; Friday, August 15, 2008; Monday, September 15, 2008; Wednesday, October 15, 2008; Friday, October 14, 2008; Monday, December 15,

2008; and Thursday, January 15, 2009. Each payment shall be made by check payable directly to the Commissioner of Financial Regulation, and delivered care of Suzanne Elbon, Division of Financial Regulation, 500 North Calvert Street, Suite 402, Baltimore, MD 21202.

2. The licensee agrees and understands that any payment under this Consent Order will be considered **timely only if received before 4:00 p.m., on the scheduled payment date.**

3. The licensee shall provide to Commissioner's counsel on or before May 9, 2008, a copy of the current broker fee agreement used by the licensee.

4. The above-captioned case shall be closed pending the licensee's compliance with this Consent Order.

5. In the event of one or more violations by the licensee of any provision of this Consent Order, the Commissioner, after notice and an opportunity for a hearing, will impose fines on the licensee in the amount of \$1,000.00 per violation, in accordance with FI §11-517(b)(2). In addition, the Commissioner may reopen the above-captioned case and re-file all charges set forth in charge letter attached as Exhibit 1. At that time, the Commissioner may add charges arising from the licensee's violation of this Consent Order, as well charges arising from conduct by the licensee that is unrelated to the subject of this Order. The licensee expressly agrees and understands that noncompliance with any provision of this Consent Order may be considered, in and of itself, to constitute a violation of FI §11-517(a)(5).

6. By issuing this Consent Order pursuant to FI §11-517(b)(1) and by entering into an agreement with the licensee as set forth therein, the Commissioner does not waive the

right to enforce the Maryland Mortgage Lender Law, and all applicable regulations promulgated thereunder, nor does she waive the right to bring additional charges against the licensee for alleged violations of law or regulations which are unrelated to the subject of this Consent Order.

MARYLAND DIVISION OF FINANCIAL REGULATION

Date: 4-09-08

By Joseph E. Rooney
Joseph E. Rooney, Deputy Commissioner

CONSENT

I, Henry Fadojutimi, by affixing my signature hereon, hereby agree to the following:

1. I am currently licensed in Maryland as a mortgage broker.
2. I acknowledge that I have been advised specifically to seek the advice of counsel prior to signing this Consent Order.
3. I understand that I have the following rights:
 - a. The right to a formal fact finding hearing before the Commissioner;
 - b. The right to representation by counsel at such a hearing; and
 - c. The right to confront and to cross-examine witnesses who testify against me at such a hearing;
4. With full knowledge and understanding of the aforementioned rights, I hereby waive my right to a formal hearing on the charges set forth in letter attached as Exhibit 1 and dated December 3, 2007.
5. With full understanding of its meaning, I hereby agree to comply with all terms and provisions of this Consent Order relating to my actions as a licensed mortgage broker in the State of Maryland.

Witness: _____

By: Henry Fadojutimi
Henry Fadojutimi, President
Washington Premier Mortgage Corp.

Date: 04 / 09 / 2008

DLLR

STATE OF MARYLAND

DEPARTMENT OF LABOR, LICENSING AND REGULATION

MARTIN O'MALLEY, Governor
ANTHONY G. BROWN, Lt. Governor
THOMAS E. PEREZ, Secretary

Office of the Commissioner of Financial Regulation
Sarah Bloom Raskin, Commissioner

www.dllr.state.md.us/finance
E-mail • finreg@dllr.state.md.us

December 3, 2007

**BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED
& FIRST CLASS MAIL**

Henry Fadojutimi
President
Washington Premier Mortgage Corp.
7515 Annapolis Rd., Ste. 302
Hyattsville, MD 20784

Dear Mr. Fadojutimi:

The Maryland Commissioner of Financial Regulation ("the Commissioner"), of the Department of Labor, Licensing, and Regulation ("DLLR"), hereby charges Washington Premier Mortgage Corp., ("the licensee"), with violating Md. Commercial Law Code Ann. ("CL"), §12-804(c), §12-805(d), 12-125(b)(1) and COMAR .09.03.06.09A as set forth herein.

The licensee is advised that, if the charges are established at a hearing, the Commissioner may require the licensee, pursuant to CL §12-807(1), to forfeit to each borrower three times the amount of the finder's fees collected. Additionally, the Commissioner may require the licensee, pursuant to Md. Financial Institutions Code Ann. ("FI") §11-517(b)(1)(ii), to make restitution for other charges to borrowers made in violation of the Maryland Mortgage Lender Law or regulations adopted by the Commissioner under FI §11-503. Finally, the Commissioner may, pursuant to FI §11-517(a), suspend or revoke the licensee's mortgage lender license, issue an order directing the licensee to cease and desist and pay restitution to any person aggrieved by such conduct.

The charges against the licensee are based on the following allegations of fact:

1. Washington Premier Mortgage Corp., at all times relevant to these charges, was licensed by DLLR as a mortgage lender. FI §11-501(j)(1)(i) defines "mortgage lender" as including a "mortgage broker." FI §11-501(i) defines "mortgage broker" as a person who:

EXHIBIT 1



Office of the Commissioner of Financial Regulation
500 North Calvert Street • Suite 402
Baltimore, Maryland 21202-3651

410-230-6100
(Toll Free) 1-888-784-0136
(Fax) 410-333-3866 / 410-333-0475

Keeping Maryland Moving and Safe

- (1) For a fee or other valuable consideration, whether received directly or indirectly, aids or assists a borrower in obtaining a mortgage loan; and
(2) Is not named as a lender in the agreement, note, deed of trust, or other evidence of indebtedness.

2. Between July 30, 2007, and July 31, 2007, DLLR conducted an examination of the licensee and reviewed the following files concerning mortgage loans to the following individuals brokered by the licensee for the identified properties:

[REDACTED], [REDACTED] Edgewood, MD 21040

[REDACTED], [REDACTED] Severn, MD

[REDACTED], 4807 [REDACTED] Lanham, MD 20706

[REDACTED], [REDACTED] Bowie, MD 20721

[REDACTED], [REDACTED] Bowie, MD 20721

[REDACTED], [REDACTED] Landover Hills, MD 20784

[REDACTED], [REDACTED] Upper Marlboro, MD 20772

[REDACTED], [REDACTED] Bowie, MD 20720

[REDACTED], [REDACTED] Laurel, MD 20723

[REDACTED], [REDACTED] Lanham, MD 20706

The examination revealed the following:

A. CL §12-125 provided, at the time of the incidents in question, that:

A lender who offers to make or procure a loan secured by a first mortgage or first deed of trust on a 1-to-4 family home to be occupied by the borrower shall provide the borrower with a financing agreement executed by the lender within 10 business days after the date the loan application is completed.

B. CL §12-804(c) provided, at the time of the incidents in question, that:

A mortgage broker obtaining a mortgage loan with respect to the same property more than once within a 24-month period may charge a finder's fee only on so much of the loan as is in excess of the initial loan.

CL §12-801(c) defines "finder's fee" as:

any compensation or commission directly or indirectly imposed by a broker and paid by or on behalf of the borrower for the broker's services in procuring, arranging, or otherwise assisting a borrower in obtaining a loan or advance of money.

C. CL §12-805(d) provided, at the time of the incidents in question, that::

A finder's fee may not be charged unless it is pursuant to a separate written agreement between the broker and borrower which is distinct from the loan agreement. The terms of the proposed agreement shall be disclosed to the borrower before the broker undertakes to assist the borrower in obtaining a loan or advance of money and shall specify the amount of the finder's fee.

D. The licensee received finder's fees in connection with the loans as set forth below:

i. With respect to the loan obtained by [REDACTED], the licensee charged the borrower an origination fee of \$1,245.00, a broker's fee of \$2,490.00, and a processing fee of \$650.00. However, the licensee failed to enter into a separate written broker agreement with the borrower, and failed to specify the amount of the finder's fee as required under CL §12-805(d). Also, the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

ii. With respect to the loan obtained by [REDACTED], the licensee charged the borrower a loan origination fee of \$1,170.00, and a processing fee of \$650.00. However, the licensee failed to enter into a separate written broker agreement with the borrower, and failed to specify the amount of the finder's fee as required under CL §12-805(d). Also, the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

iii. With respect to the loan obtained by [REDACTED], the licensee charged the borrower a broker's fee of \$4,680.00, and a processing fee of \$650.00, yet failed to enter into a separate written broker agreement with the borrower and failed to specify the amount of the finder's fee as required under CL §12-805(d). Also, the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

iv. With respect to the obtained by [REDACTED], the licensee charged the borrower a broker's fee of \$12,000.00, and a processing fee of \$650.00, yet failed to enter into a separate written broker agreement with the borrower and failed to specify the amount of the finder's fee as required under CL §12-805(d). Also, the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

v. With respect to the loan obtained by [REDACTED], the licensee charged the borrower a broker's fee of \$3,128.00, and a processing fee of \$650.00, yet failed to enter into a separate written broker agreement with the borrower and failed to specify the amount of the finder's fee as required under CL §12-805(d). Also, the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

vi. With respect to the loan obtained by [REDACTED], the licensee charged the borrower a broker's fee of \$7,280.00, and a processing fee of \$450.00, yet failed to enter into a separate written broker agreement with the borrower and failed to specify the amount of the finder's fee as required under CL §12-805(d). Also, the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

vii. With respect to the loan obtained by [REDACTED], the licensee charged the borrower a broker's fee of \$3,560.00, and a processing fee of \$650.00, yet failed to enter into a separate written broker agreement with the borrower and failed to specify the amount of the finder's fee as required under CL §12-805(d). Also, the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

viii. With respect to the loan obtained by [REDACTED], the licensee charged the borrower a loan origination fee of \$5,150.00, a broker fee of \$5,150.00, and a processing fee of \$650.00, yet failed to enter into a separate written broker agreement with the borrower and failed to specify the amount of the finder's fee as required under CL §12-805(d). Also, the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

ix. With respect to the loan obtained by [REDACTED], the licensee charged the borrower a loan origination fee of \$3,250.00, broker's fee of \$1,300.00, and a processing fee of \$650.00, yet failed to enter into a separate written broker agreement with the borrower and failed to specify the amount of the finder's fee as required under CL §12-805(d). Also, the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

x. With respect to the loan obtained by [REDACTED], the licensee failed to provide the borrower a finance agreement thereby violating CL §12-125.

3. DLLR notified the licensee of the findings of the July 30, 2007, through July 31, 2007, examination and requested a response from the licensee. Although the licensee has responded to the examination and acknowledged the violations, the violations set forth above remain unresolved.

Based on the above facts, the Commissioner hereby charges the licensee with violating the provision set forth in CL §12-125(b)(1) concerning the provision of

financing agreements to borrowers, and CL §12-805(d), governing finder's fees charged by mortgage brokers.

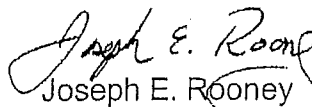
At the scheduled hearing, you will be afforded an opportunity to defend against these charges. The hearing will be held pursuant to FI §11-518; the Administrative Procedure Act, Md. State Gov. Code Ann., §10-201 *et seq.*; and regulations set forth in COMAR .09.01.02.01 *et seq.*

You may appear in person with or without counsel. You may subpoena and call witnesses in accordance with COMAR 09.01.02.03, and you may cross-examine witnesses called against you. Further, you are entitled to introduce documentary evidence in your defense. Your appearance without counsel will indicate your desire to proceed without an attorney. In any event, no postponement will be granted by reason of your failure to obtain counsel. If you fail or refuse to appear, the hearing may proceed in your absence and a determination may be made regarding the validity of the charges.

Pursuant to COMAR .09.01.02.02, no request for postponement will be considered unless written notification is given no later than ten (10) days prior to the hearing date. Any questions about hearing procedures, requests for postponement, or requests for subpoenas should be directed to Christopher J. Young, Assistant Attorney General, 500 North Calvert Street, Suite 406, Baltimore, Maryland 21202, (410) 230-6122.

Any settlement negotiations or communications regarding the substance of the charges should be directed to the presenter of evidence assigned to this case, Matthew A. Lawrence, Assistant Attorney General, 500 North Calvert Street, Suite 406, Baltimore, Maryland 21202, (410) 230-6137.

Very truly yours,



Joseph E. Rooney
Deputy Commissioner of
Financial Regulation

c: Christopher J. Young, Assistant Attorney General
Matthew A. Lawrence, Assistant Attorney General